

ATTACHMENT 1
See chapter 6, paragraph E1

**CRITERIA, DOCUMENTATION AND APPROVAL LEVELS FOR
ADJUSTMENTS AND CORRECTIONS TO THE ACCOUNTABLE RECORD**

DAISY outputs placards for downgrades, abandonment or destruction and DEMIL. These placards contain the required fields for data entry and may be used for documentation when all the required signature blocks are completed by the authorized personnel. When these placards are used, they are to be filed in the source document file and maintained according to the guidance in chapter 9, this instruction. Minimum documentation for all adjustments is DRMS Form 39-3. Use DRMS Form 1983 for corrections (DTID Restart Form – see chapter 7, paragraph I this instruction).

See DRMS-I 4160.14, Volume I, Chapter 2, for information on Reports of Discrepancy (RODs) for precious metals.

The numeric key shown below designates approving official and he/she may determine requirement for additional reviews, which could change documentation requirements and approval level. When documentation is forwarded for approval, transmittal letter will document review at each level. The DD Form 200 is based on the extended value of each line item.

Key:

- 1 - DRMO Chief/DRMO Designee*
- 2 - DRMO Chief
- 3 - Zone Manager
- 4 - DRMSI or *DRMSN* Commander or Designee(s)*
- 5 - HQ DRMS Commander or Designee*

*All designee appointments must be in writing in the form of a delegation of authority notification.

The following categories of adjustments or corrections are further explained by the footnotes that correspond with the numbers in (parenthesis) behind the subparagraph(s) text.

APPROVAL TYPE OF ADJUSTMENT/CORRECTION	REQUIRED	DOCUMENTATION LEVEL
1. USABLE PROPERTY		
a. All paperwork bookkeeping errors except quantity.	DRMS Form 1983	1
b. Paperwork/bookkeeping errors affecting quantity.	DRMS Form 39-3	1
c. All quantity gains. (1)	DRMS Form 39-3	1
d. For other than sensitive items - Quantity loss/damage adjustments where there is no evidence of fraud, theft, negligence, deliberate unauthorized use or willful misconduct and: (7)		
➤ Acquisition value is \$25,000 or less.	DRMS Form 39-3	2
➤ Acquisition value is over \$25,000 up to \$49,999.99.	DRMS Form 39-3	3
➤ Acquisition value is \$50,000 to \$200,000. (8)	DD Form 200	4

APPROVAL TYPE OF ADJUSTMENT/CORRECTION	REQUIRED	DOCUMENTATION LEVEL
➤ Acquisition value is over \$200,000. (8)	DD Form 200	5
e. Quantity loss/damage adjustment where there is evidence of fraud, theft, deliberate unauthorized use, willful misconduct or negligence and: (7)		
➤ Acquisition value is \$200,000 or less.	DD Form 200	4
➤ Acquisition value is over \$200,000.(8)	DD Form 200	5
f. Quantity loss/damage adjustment for retail sale property. Totals for all retail sale property that is lost, damaged or destroyed will be computed each fiscal quarter.		
➤ Acquisition value is \$25,000 or less.	DD Form 200	3
➤ Acquisition value is over \$25,000. (8)	DD Form 200	4
2. SCRAP (Excluding precious metals SCLs, i.e., P or V coded)		
a. All paperwork/bookkeeping errors except quantity.	DRMS Form 1983	1
b. Paperwork/bookkeeping errors affecting quantity. (1)	DRMS Form 39-3	1
c. Loss/gain balancing of scrap records.	DRMS Form 39-3	1
d. Scrap breakdown and SCL consolidation.	DRMS Form 1978	No approval required
e. All scrap quantity gains. Reclassification due to property left from a sale or issue is not a true gain/loss. For multiple scrap reclassification, see chapter 5, paragraph K, this instruction. (1)	DRMS Form 39-3	1
f. Scrap loss adjustments where there is no evidence of fraud, suspected theft, negligence, deliberate unauthorized-use or willful misconduct and: (7)		
➤ Adjustment does not exceed scrap fair market value of \$25,000.	DRMS Form 39-3	2
➤ Adjustment exceeds scrap fair market value of \$25,000 up to \$49,999.99.	DD Form 200	3
➤ Adjustment equals a scrap fair market value between \$50,000 and \$200,000. (8)	DD Form 200	4
➤ Adjustment equals fair market value greater than \$200,000. (8)	DD Form 200	5

APPROVAL TYPE OF ADJUSTMENT/CORRECTION	REQUIRED	DOCUMENTATION LEVEL
g. Scrap loss adjustments where there is evidence of fraud, theft, deliberate unauthorized use, willful misconduct or suspected negligence and: (7)		
➤ Adjustment does not exceed fair market value of \$200,000. (8)	DD Form 200	4
➤ Adjustment exceeds fair market value of \$200,000. (8)	DD Form 200	5
h. Upgrade of usable component from scrapped end item or of scrap material to usable item, and:		
➤ Fair market value is less than \$10,000. (1)	DD Form 1348-1/1A	1
➤ Fair market value is \$10,000 or greater. (1)	DD Form 1348-1/1A	2
3. PRECIOUS METALS SCRAP (P and V coded SCLs).		
a. All paperwork/bookkeeping errors except quantity.	DRMS Form 1983	2
b. Paperwork/bookkeeping errors affecting quantity. (1)	DRMS Form 39-3	2
c. SCL relocation, no change of SCL or weight (weighing required).	DRMS Form 1978	No approval required
d. Loss/gain balancing of scrap records.		
➤ Loss/gain due to reclassification (except P24 or P04).	DRMS Form 39-3	3
➤ Loss/gain, or loss and corresponding gain(s) due to DRMO processing, i.e., P24 breakdown.	DRMS Form 39-3	2
e. All scrap quantity gains (except those derived from DRMO processing). (6)	DRMS Form 39-3	3
f. Scrap loss adjustment where there is no evidence of fraud, suspected theft, negligence, deliberate unauthorized use or willful misconduct and it affects a minimum of:		
➤ 25 percent of the recorded on-hand quantity for P -coded SCLs or (2)	DD Form 200	3
➤ 10 percent of the recorded on-hand quantity for V -coded SCLs. (2)	DD Form 200	4
g. Loss adjustments where there is suspected fraud, theft, negligence, deliberate unauthorized use or willful misconduct. (8)	DD Form 200	4

APPROVAL TYPE OF ADJUSTMENT/CORRECTION	REQUIRED	DOCUMENTATION LEVEL
h. Weight loss adjustments due to evaporation (i.e., wet silver). (1)	DRMS Form 39-3	2
4. SENSITIVE ITEMS. (See paragraph C2, this chapter, for identity of sensitive items.) Aside from input errors (see paragraph 1b, this attachment) all discrepancies and adjustments for sensitive items with:		
a. An acquisition value of \$2,500 or less.	DD Form 200	3
b. An acquisition value greater than \$2,500 up to \$200,000. (8)	DD Form 200	4
c. An acquisition value greater than \$200,000. (8)	DD Form 200	5
5. DOWNGRADE TO SCRAP		
NOTE: For downgrade approvals after ESD, DRMS has authorized the use of the Employee Identification Number (EIN) on the Downgrade Placard in lieu of a handwritten signature. The EIN on the Downgrade Placard must be the EIN assigned to the individual with the appropriate approval authority. Downgrade referrals that must be elevated will continue to require the actual signature of the individual with the approval authority.		
a. Upon receipt when property has scrap value only, the Supply Condition Code is F, G or H and:		
➤ Acquisition value is \$50,000 or less.	DD Form 1348-1/1A	1
➤ Acquisition value is over \$50,000. (5)	DD Form 1348-1/1A	2
b. As a result of reclamation and:		
➤ Acquisition value is \$50,000 or less.	Sale Placard or	1 DRMS Form 222
➤ Acquisition value is over \$50,000.	Sale Placard or	2 DRMS Form 222
c. After screening (at ESD), [for DEMIL required items see sub bullets (a) 5, 6 and 7 below] and:		
➤ All items in Disposal Condition Code X .	Sale Placard, Downgrade Placard	1 or DRMS Form 222
➤ Acquisition value is \$50,000 or less and Disposal Condition Code is other than X .	Sale Placard, Downgrade Placard	1 or DRMS Form 222
➤ Acquisition value is over \$50,000, but not more than \$100,000 and Disposal Condition Code is other than X .	Sale Placard, Downgrade Placard or DRMS Form 222	2

TYPE OF ADJUSTMENT/CORRECTION	DOCUMENTATION REQUIRED	APPROVAL LEVEL
➤ Acquisition value is over \$100,000, but not more than \$200,000 and Disposal Condition Code is other than X .	Downgrade Placard, DRMS Form 222	3 or Sale Placard
➤ Acquisition value is over \$200,000 and Disposal Condition is other than X . [Downgrade requests for this category of property may be sent by facsimile transmission or e-mail, provided all required information is supplied. Upon receipt of approval/denial, the response will be attached to and retained with the original DTID.]	Downgrade Placard, DRMS Form 222 or Sale Placard	4
➤ Acquisition value is \$50,000 or less for DEMIL Codes other than A after required demilitarization has been performed.	Sale Placard, Downgrade Placard or DRMS Form 222	1
➤ Acquisition value is over \$50,000 for DEMIL Codes other than A .	DRMS Form 222, Downgrade Placard	2 or Sale Placard
d. For 12 months after unsuccessful sale attempt, any condition code and:		
➤ Acquisition value is \$50,000 or less.	DRMS Form 63 or	1 Downgrade Placard
➤ Acquisition value is over \$50,000.	DRMS Form 63 or	2 Downgrade Placard
e. Precious Metals Bearing Items:		
➤ Upon receipt, scheduled to be processed for precious metals recovery and acquisition value is \$50,000 or less.	DD Form 1348-1/1A	1
➤ Upon receipt, scheduled to be processed for precious metals recovery and acquisition value is over \$50,000.	DD Form 1348-1/1A	2
➤ At ESD, scheduled to be processed for precious metals recovery without offering for sale and acquisition value is \$50,000 or less.	Sale Placard or Downgrade Placard	1
➤ At ESD, scheduled to be processed for precious metals recovery without offering for sale and acquisition value is over \$50,000.	Sale Placard or Downgrade Placard	2
➤ After unsuccessful sale attempt and acquisition value is \$50,000 or less.	DRMS Form 63 or Downgrade Placard	1
➤ After unsuccessful sale attempt and acquisition value is over \$50,000.	DRMS Form 63 or Downgrade Placard	2

APPROVAL TYPE OF ADJUSTMENT/CORRECTION	REQUIRED	DOCUMENTATION LEVEL
6. ABANDONMENT OR DESTRUCTION		
a. Acquisition value (usable) or fair market value (scrap) is \$25,000 or less. (3 and 4)	Sale Placard or DD Form 1348-1/1A or A & D Placard	1
b. Acquisition value (usable) or fair market value (scrap) is over \$25,000 up to \$100,000. (3 and 4)	Sale Placard or DD Form 1348-1/1A or A & D Placard	2
c. Acquisition value (usable) or fair market value (scrap) is over \$100,000 up to \$200,000. (3 and 4)	Sale Placard or DD Form 1348-1/1A or A & D Placard	3
d. Acquisition value (usable) or fair market value (scrap) is over \$200,000. (3 and 4)	Sale Placard or DD Form 1348-1/1A or A & D Placard	4

FOOTNOTES:

(1) APO review of adjustments will be documented on DRMS Form 39-3 and APO review of corrections will be documented on DRMS Form 1983.

(2) Information copy to be provided to DRMS-LM, Precious Metals personnel.

(3) Abandonment or destruction documentation requires findings, review and certification as outlined in DoD 4160.21-M, Chapter 8.

(4) Footnote No. 3 applies except for hazardous property reported to DRMS for service or requirement contracts. Issue of a service contract or delivery order from HQ DRMS constitutes approval. Documentation will be a DD Form 1348 series document, DRMS Form 1786, DRMS Form 1668, DD Form 1155 with Standard Form 30 (modification) as needed, or EPA Form 8700-22 or the state printed manifest.

For hazardous property reported as lost, a separate DD Form 200 is required for each line item. See paragraph C2b, this chapter for property with the same NSN on one DD Form 200.

For hazardous property reported as lost, notification of appropriate regulatory agencies will be accomplished IAW DRMS-I 6050.1, Chapter 12.

(5) When generations of a type of property are continuous, the DRMO Chief may request a waiver from DRMSI or DRMSN, as appropriate, to allow the designee downgrade approval authority above the prescribed level.

(6) DRMS Form 39-3 will be attached to a letter fully detailing the circumstances leading to the gain.

(7) The DRMSI or DRMSN Commander/designee may waive research action for those items within their approval authority when negligence or responsibility cannot be determined. Research action may also be waived when the research would not be cost effective and would constitute an unnecessary administrative burden. The following definition is provided for determining negligence:

FOOTNOTES (Continued):

Negligence - The failure to act as a reasonably prudent person would have acted under similar circumstances. It is an act or omission that a reasonably prudent person would not have committed or omitted under similar circumstances and is the proximate cause of the loss of, damage to or destruction of Government property. Failure to comply with existing laws, regulations or procedures may be considered as evidence of negligence. (Failure to use appropriate safeguards may also be considered as evidence of negligence.)

As needed, the legal staff will determine Gross negligence and simple negligence. The legal staff may be requested for consultation as needed.

(8) Appointment of Financial Liability Officer required.